

August 27, 2012

*Via Electronic Mail [superfund.docket@epa.gov](mailto:superfund.docket@epa.gov) and Federal Express*

Docket Coordinator  
Headquarters  
U.S. Environmental Protection Agency  
CERCLA Docket Office  
1301 Constitution Ave., EPA West, Room 3340  
Washington DC 20004

*Via Electronic Mail [jeng.terry@epa.gov](mailto:jeng.terry@epa.gov) and Federal Express*

Ms. Terry Jeng  
U.S. Environmental Protection Agency  
Office of Superfund Remediation and  
Technology Innovation  
One Potomac Yard, 2777 Crystal Drive, 5th Floor  
Arlington, VA 22202

*Via Electronic Mail [phillips.pam@epa.gov](mailto:phillips.pam@epa.gov) and Federal Express*

Pam Phillips  
Acting Division Director  
Superfund Division  
U.S. EPA Region 6  
1445 Ross Avenue  
Suite 1200  
Dallas, Texas 75202

*Via Electronic Mail [Stanislaus.mathy@epa.gov](mailto:Stanislaus.mathy@epa.gov) and Federal Express*

Mathy Stanislaus  
Assistant Administrator  
Office of Solid Waste and Emergency Response  
USEPA Headquarters, Ariel Rios Building  
1200 Pennsylvania Avenue, N. W.  
Mail Code: 5101T  
Washington, DC 20460

*Via Electronic Mail Woolford.james@epa.gov and Federal Express*

James E. Woolford  
Director  
Office of Superfund Remediation and Technology Innovation  
USEPA Headquarters  
Ariel Rios Building  
1200 Pennsylvania Avenue, N. W.  
Mail code: 5201P  
Washington, DC 20460

*Via Electronic Mail Starfield.lawrence@epa.gov and Federal Express*

Lawrence E. Starfield  
Principal Deputy Assistant Administrator  
Office of Enforcement and Compliance Assurance  
USEPA Headquarters  
Ariel Rios Building  
1200 Pennsylvania Avenue, N. W.  
Mail Code: 2201 A  
Washington, DC 20460

Re: Comments Regarding the Proposed Listing of the US Oil Recovery Site in  
Pasadena, Texas, on the National Priorities List, Docket Number EPA-HQ-  
SFUND-2011-0653

Dear Sir or Madam:

On May 22, 2012, Judge Kyle Carter of the 125<sup>th</sup> State District Court in Harris County, Texas appointed me as Receiver over the property of U. S. Oil Recovery, L.P., MCC Recycling, L.L.P., and U. S. Oil Recovery, LLP, companies owned and operated by Klaus Genssler. This property includes facilities at 200 North Richey Road and 400 North Richey Road in Pasadena, Texas (hereafter referred to as the "USOR Site" or the "Site") that are the subject of the above captioned proposal for listing on the National Priorities List ("NPL"). Because I was not appointed Receiver until well after November 15, 2011, the close of comment period for the proposed listing, this is my first opportunity to offer comments regarding the proposed listing. It is my understanding that the Environmental Protection Agency ("EPA") will not make its final decision on listing until September. Thus, the agency's consideration of these comments in support of continued deferral of the listing will not prejudice EPA or in any way slow ongoing response actions being undertaken at the Site.

I am writing to register my strong objection to the agency's planned action of finalizing the NPL listing at this time and to request that this action be deferred.

Copies of the two orders appointing me as Receiver and defining my responsibilities in this position are attached as Exhibits A and B. Chief among my duties are the following:

- use any means allowed to bring the Site into compliance with environmental laws;
- assist the U. S. Oil Recovery PRP Group ("Group") in connection with the cost-effective remediation of the Site.

While I have only been on the job for a relatively short time, I have had the opportunity to familiarize myself with the Site and with the on-going work of the Group on this Site. Based upon this assessment, I believe that the Site and the other assets now at my disposal have market value, value that if properly managed can be devoted to cleaning up the Site. The key to realizing this value in a reasonable time period is to ensure and enhance the marketability of the property. I believe there are two steps to achieving this goal. First, the Group must proceed with the cleanup of the mess left by Mr. Genssler and his companies. Removal actions to address these conditions are already underway, and I have been impressed by the progress to date and the Group's initiative in pursuing continued action. Second, we must avoid imposing unnecessary barriers to my ability to market the property. I believe that finalizing the listing of the Site on the NPL at this time is such an unnecessary barrier.

Having received the proposed schedule for the additional actions necessary to clean up the Site and having assessed the Group's commitment to these actions, I can see no benefit to proceeding with listing the Site at this time. No one has described how listing the Site will advance or accelerate cleaning up the Site or enhance the use of the assets at my disposal to effect the clean-up. In contrast, based on my experience as a Receiver charged with managing and disposing of assets at the highest price for the best future use, I can easily grasp the downside of having the Site characterized as "one of the most polluted sites in the country." This step will destroy my ability to market the Site just as I am beginning my job.

Thus, I ask that you defer final action on the listing to allow me to do my job working with the Group to both clean up the Site and return it to productive use.

Respectfully yours,



Eya Engelhart

Enclosures

cc: Douglas Ammon  
U.S. Environmental Protection Agency  
Office of Superfund Remediation and Technology Innovation  
1200 Pennsylvania Avenue NW  
Washington, DC 20460



CAUSE NO. 2009-32636-B

P-2  
APPENDIX

Safety-Kleen Systems, Inc., Oxid, L.P.,  
Southwest Shipyard, L.P., Enterprise  
Products Operating, LLC, Enterprise  
Transportation Company, Vopak  
Terminal Galena Park, Groendyke  
Transport, Inc., T.T. Barge Cleaning,  
Inc.

Plaintiffs,

v.

U.S. OIL RECOVERY, L.P., KLAUS  
GENSSLER, MCC RECYCLING,  
L.L.P., U.S. OIL RECOVERY, L.L.P.,  
SCALTECH INTERNATIONAL LLC  
AND MCC GROUP, N.V.

Defendants.

IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

125<sup>TH</sup> JUDICIAL DISTRICT COURT

**FILED**

Chris Daniel  
District Clerk

MAY 22 2012

Time:

By

Harris County, Texas

Deputy

Order Appointing Successor Receiver


On the \_\_\_\_ day of \_\_\_\_\_ came on to be considered Intervenor's' (now plaintiffs') Motion to Substitute Receiver. The Court having considered the motion finds it should be granted. It is accordingly:

ORDERED that:

Rick Townsend was relieved of his duties as Receiver effective as of March 19, 2012. The Receivership Order is hereby reinstated in this severed case and ~~Miles D. Harper III~~ <sup>Eva Engelhart</sup> is hereby appointed as the successor Receiver. Other terms of the Receivership Order remain in place except that: (1) the receivership will no longer be over Klaus Genssler, individually, or Genssler Environmental Holdings, L.L.C., which is in bankruptcy, and (2) Intervenor's will be responsible for the successor Receiver's fees and expenses going forward to the extent those fees and expenses cannot be paid by using assets of the Receivership estate and plaintiff's bond shall be released and Intervenor's shall post a bond equal to the bond presently posed by Harris County and the State of Texas in the amount of \$100.

The purpose of the Receivership is to assist the plaintiffs in connection with the cost effective remediation of the sites in accord with plaintiffs' obligations under the currently existing AOC or subsequent orders of the EPA.

Signed this 22 day of May, 2012.

  
Judge Presiding

Unofficial Copy Office of Chris Daniel District Clerk

NO. 2009-32636

P-14  
APREX  
171X

HARRIS COUNTY, TEXAS  
Plaintiff,

and

THE STATE OF TEXAS  
Acting by and through the Texas  
Commission on Environmental Quality,  
A Necessary and Indispensable Party  
Party-Plaintiff,

vs.

KLAUS GENSSLER, individually, and d/b/a §  
U.S. OIL RECOVERY, L.P., §  
MCC RECYCLING, LLP, §  
GENSSLER ENVIRONMENTAL §  
HOLDINGS, L.L.C., U.S. OIL RECOVERY, §  
LLP, a/k/a U.S. OIL RECOVERY, L.L.P. §  
Defendants §

IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

**FILED**

Loren Jackson  
District Clerk

JUL - 7 2010

Time: \_\_\_\_\_  
By: \_\_\_\_\_  
Harris County, Texas  
Clerk

125<sup>TH</sup> JUDICIAL DISTRICT

**ORDER FOR APPOINTMENT OF RECEIVER AND MASTER**

Be it remembered, that on June 2, 2010, plaintiff, Harris County, Texas, in the above-captioned and numbered cause, presented to the Court its Application for Appointment of a Receiver and Master. Counsel for Harris County, the State of Texas, and the defendants were all present and, this Court, after reading the Application for Appointment of Receiver and Master and the attachments, hearing testimony on the current conditions of the properties at 200 and 400 North Richey Road in Pasadena, Texas, taking judicial notice of all the pleadings and testimony and evidence offered by the Court in this and previous hearings in this case, as well as the arguments of counsel, GRANTS the Application and finds that:

1. Defendants Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., are violating environmental laws

and putting the health and safety of residents of Harris County at risk by storing hazardous and flammable waste in conditions that have created an imminent fire and flood hazard at their facilities at 200 and 400 North Richey Road in Pasadena, Texas;

2. Defendants Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., and Genssler Environmental Holdings, L.L.C., have violated this Court's temporary injunction order signed on March 11, 2010, by failing to remove the hazardous and flammable waste and all industrial waste and wastewater from their properties at 200 and 400 North Richey Road;
3. Defendants Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., have failed to appear for two depositions ordered by this Court and have refused to accept service to appear in court upon court order to show cause in response to plaintiff's Motions for Contempt;
4. Defendant Klaus Genssler's current whereabouts are unknown and he effectively has abandoned the facilities at 200 and 400 North Richey Road in Pasadena, Texas;
5. Defendant Klaus Genssler has indicated in his reports to Harris County and the State of Texas that he and his companies have no money to clean up the properties pursuant to the terms of the Temporary Injunction, but is not in bankruptcy;



6. Defendant Klaus Genssler, individually, has previously been found to be causing suffering, allowing or permitting pollution to take place at 200 and 400 North Richey Road;
7. Defendant Klaus Genssler, individually, has taken in approximately \$10,000,000.00 per year from the defendant businesses for the past 3-4 years, and has not reinvested this money into these companies. As a result, the physical plants at defendants' 200 and 400 North Richey Road facilities have fallen into disrepair to such a degree that they now pose a serious threat to the safety of the residents and the environment in Harris County, Texas;
8. Defendants Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., since the receivership was filed, have caused or have allowed or permitted others to remove valuable industrial equipment from their possession from 200 North Richey Road and 400 North Richey Road in Pasadena, Texas to places unknown;
9. A receivership is necessary because there is no other adequate remedy at law as defendants have failed to comply with two temporary injunctions, and have failed to appear in court when ordered to do so. In addition, there is an imminent threat to the residents of Harris County because defendants' facilities have limited fire protection and are illegally storing hazardous and other industrial waste, as well as flammable waste, on property that is partially in the floodplain and floodway;
10. If any portion of the Receiver's compensation under this order exceeds the defendants' assets which are under receivership, Harris County agrees to



compensate the Receiver up to ten thousand dollars (\$10,000) for these services under this order. These funds are already authorized by Harris County Commissioners Court. Any additional amount this Court determines Harris County is to pay the Receiver is subject to approval by Commissioners Court. The Receiver will be compensated at three hundred fifty dollars (\$350) per hour, subject to approval by Commissioners Court. Harris County is ordered to place ten thousand dollars (\$10,000) in the Court's registry as a deposit against the Receiver's fees.

11. Special circumstances exist that justify the appointment of a Special Master, including the defendants' failure to appear for hearings or provide documentation. Counsel advised that Mr. Genssler cannot be located, but is reported to be out of state, in Alabama or in Germany, and to have various business deals underway involving companies with which he is involved, but, he will not disclose his interests in those businesses. The Court cannot travel the state, or to Alabama or Germany, to discover the defendants' relationships with each other and third parties, or where assets are located, but a Master can do so, and then report to the Court. Attempts to discover such information have been futile since Mr. Genssler refuses to appear and has retained multiple lawyers to protest every effort to obtain information. The Master's duties are limited to discovering the defendants' whereabouts, assets, and records, including their relationships with each other and third parties, and potential sources of income.

This Court takes into consideration the following documents: the plaintiff's Ninth Amended Petition; the March 11, 2010 Temporary Injunction, hearing evidence, and testimony;

and the June 8, 2008 Temporary Injunction, hearing evidence, and testimony; the Show Cause Order signed by this Court; the three Temporary Restraining Orders, all the evidence, testimony, and sworn pleadings in this case.

This Court, based on the overwhelming evidence presented in this case and pursuant to Chapter 64 of the Texas Civil Practice and Remedies Code, appoints ~~Brooke Baumann~~ <sup>Rick Townsend</sup> as Receiver in this case, Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., and ORDERS:

- (1) Defendants, Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., place all documents and property subject to this order in the custody and control of the Receiver, within five days of the execution of this order;
- (2) That the defendants Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., are enjoined from further entry onto the properties at 200 North Richey Road and 400 North Richey Road, without further order of this Court. The Receiver has full access to both 200 and 400 North Richey Road, and has full authority to grant others access to those properties;
- (3) That all real or personal property possessory claims or any interest in real property, easements, and rights used by the defendants Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., at their facilities at 200 and 400 North Richey

Road sites, including all trucks, processors, tanks, and other equipment, whether held by the defendants, their assigns, or contractors, is placed under custody and control of the Receiver;

(4) That all non-exempt real and personal property of Klaus Genssler within the jurisdiction of this Court are placed under the custody and control of the Receiver;

(5) That defendants, Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., are enjoined from encumbering or transferring property to anyone but the Receiver, and that the defendants are enjoined from concealing property at the 200 and 400 North Richey Road sites including all trucks, processors, tanks, and other equipment, including through the use of third parties, companies, agents, attorneys, pseudonyms, or assumed names;

(6) That the Receiver may retain counsel, as needed, as well as realtors and all other sales agents needed to sell property and rights. ~~The retention of the firm of Miller, Seamardi, and Carrabba, P.C., at three hundred twenty-five dollars (\$325) per hour, is approved;~~ ka

(7) The Receiver is authorized to hire all persons and entities necessary to assess the qualities of the items owned or possessed by defendants, and to sell or move them, as needed;

(8) That the Receiver is authorized to use any means allowed under the statute to bring the defendants' facilities at 200 North Richey Road and 400 North Richey Road in Pasadena, Texas permanently into compliance with environmental laws, including: a) seizing all assets in possession or control of defendants, Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP a/k/a U.S. Oil Recovery, L.L.P., including any entities controlled or managed by Klaus Genssler, or monies received for the benefit of Klaus Genssler; and, b) using the assets obtained to pay the Receiver's fees, and to hire an environmental remediation company to:



- 1) test and classify the waste in the drums and totes in the warehouse at 400 North Richey Road and determine where to properly dispose of the waste, to remove all leaking drums and totes and other containers and all hazardous waste contained in drums, totes and other containers as soon as possible to a Texas Commission on Environmental Quality approved facility, and take all other action necessary to secure these containers in such a manner as to protect the public;
  - 2) test and classify the waste in the roll-off containers at 400 North Richey Road and determine where to properly dispose of the waste, and dispose of it at a Texas Commission on Environmental Quality approved facility;
  - 3) test and classify the waste in the bioreactors at 400 North Richey Road and identify where to properly dispose of the waste, and dispose of the waste at a Texas Commission on Environmental Quality approved facility;
  - 4) test and classify the waste that is presently held in vessels, pipes, and containers at 200 North Richey Road, and determine where to properly dispose of the waste, and then dispose of the waste at a Texas Commission on Environmental Quality approved facility; and
  - 5) test and classify the waste in the tanks in the tank farm at 400 North Richey Road, and determine where to properly dispose of the waste, and then dispose of the contents at a Texas Commission on Environmental Quality approved facility.
- (9) The Receiver may schedule hearings and meetings and direct parties and witnesses to give testimony at such hearings and meetings and to rule upon the admissibility of evidence at such hearings. He may place witnesses under oath;
- (10) The Receiver's agents share his powers and immunity;

- (11) An order from the Receiver, made pursuant to this order, is a court order;
- (12) Every security officer, constable, deputy constable, sheriff, deputy sheriff, and every other peace officer with notice of this order is authorized to accompany the Receiver to any location designated by the Receiver where Receiver believes assets or documents of a defendant may be located, without the necessity of a writ of execution having been issued, and is ordered to prevent any person from interfering with the Receiver (or any person under the direction of the Receiver) from carrying out any duty under this order or interfering with any property in control of the Receiver, or any property subject to this order;
- (13) The clerk is ordered to issue all appropriate writs;
- (14) The Receiver is required to post a one hundred dollar (\$100) bond. Harris County is required to post a one hundred dollar (\$100) bond.
- (15) No interference. Every person with notice of this order is ordered to assist the Receiver and not to interfere with any property in the Receiver's control or subject to this order, and is ordered to assist and not to interfere with the Receiver in the carrying out of his duties;
- (16) All third parties are ordered to immediately notify the Receiver if they discover the existence of property, or of facts which might lead to the discovery of property in which any defendant has any interest;
- (17) Notice to third parties. The Receiver, to the exclusion of every defendant, is the only party entitled to possess, sell, liquidate, and otherwise deal with every defendants' non-exempt property. Once third parties receive notice of this order, they may be subject to liability if they release property to any defendant, without the Receiver's prior written consent;
- (18) The Receiver is authorized to re-direct and read the defendants' mail;

(19) Changes in addresses and contact information. Every defendant is ordered to immediately notify the Receiver, in writing, of all present addresses (home, work, deer lease, fishing camp, etc.), telephone numbers (at every address), cell phone numbers, pagers, fax numbers), e-mail addresses, and to immediately notify the Receiver, in writing, of all changes in the information;

(20) Duties if anyone resists the Receiver's orders, based on the advice of third parties. Any witness or person resisting an order or request of the Receiver, based on legal or other advice, is ordered to give the full name, address, fax number, e-mail address, cell phone number, and direct telephone number for each person giving that advice and to instruct each person to immediately contact the Receiver;

(21) No defendant may spend non-exempt funds without the Receiver's prior written permission;

(22) The Receiver has no duty to maintain, guard, or ensure property taken into *custodia legis*, or to maintain or pay any lease, nor shall Receiver be required to pay any mortgage, lien or assessment, defend against any lawsuit, pay any tax or fee, maintain any insurance coverage or have any obligation except as specifically ordered;

(23) The Receiver may certify copies;

(24) The Receiver may require answers to questions, or additional turnover and production, in shorter time periods than set by the Texas Rules of Civil Procedure;

(25) The Receiver may collect all unclaimed funds;

(26) The Receiver may collect, sell, or assign the defendants' rights to all air miles and rewards programs;



(27) The Receiver may require tax assessors and the Texas Department of Transportation to freeze titles, or re-title vehicles in the Receiver's name, as Receiver;

(28) All third parties who hold the property of the defendants, Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P., are ordered to immediately notify the Receiver, and to deliver the property within five working days of demand from the Receiver;

(29) Notice to third parties. The Receiver, to the exclusion of every defendant, is the only party entitled to possess, sell, liquidate, and otherwise deal with every defendants' non-exempt property. Once third parties receive notice of this order, they may be subject to liability if they release property to any defendant, without the Receiver's prior written consent;

(30) Receiver may order providers of utilities, telecommunications, telephone, cell phone, cable, internet, data services, internet website hosts, satellite television services, and all similar services, (including Time Warner, AT&T, Verizon, Sprint, Satellite TV, Direct TV, Google, Yahoo, and internet blogs and chat rooms) and financial institutions compelling the turnover of any information that the Receiver believes might prove or lead to the discovery of the existence and location of a defendant's whereabouts or assets, including account information, telephone numbers, names, service addresses, telephone numbers, IP addresses, call detail records, payment records, and bank and credit card information. Such orders shall be directed to the entity from which the information is sought and describe, as specifically as possible, the precise information requested with the dates for which the information is required, which shall not be more than one year before the issuance of the Receiver's request, unless specifically stated in the request or attached letters;

(31) This Order specifically serves as the court order required by 47 USC § 551, and satisfies all obligations of the responding party to obtain or receive a court order prior to disclosing material containing personally identifiable information of the subscriber and/or customer. The disclosure of information pursuant to this Order is not a violation of PUC Substantive Rule 25.272. This Order satisfies the law, regulation, or legal process exception to the Proprietary Customer Information Safeguards found in PUC Substantive Rule 25.272(g)(1).

(32) The Receiver may order any Consumer Reporting Agency, as defined by the Fair Credit Reporting Act ("FCRA") section 15 USC § 1681b(f), to provide consumer reports on defendants, as allowed under FCRA §1681b(a)(1);

(33) The Receiver may order providers of global positioning satellite (GPS) and tracking information, to provide information that might assist the Receiver in locating a defendant or defendant's assets.

(34) The Receiver has full power and authority to take possession of all non-exempt property of Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C. and U.S. Oil Recovery, LLP, a/k/a U.S. Oil Recovery, L.L.P. that is in any other defendant's actual or constructive possession or control;

(35) Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C., and U.S. Oil Recovery, LLP a/k/a U.S. Oil Recovery, L.L.P. are ordered to deliver to the Receiver all non-exempt cash, interest on deposits, and stock dividends, within five days of notice of their existence;

(36) This order is limited to non-exempt assets, even if it seems to state otherwise. Any defendant claiming any exemption is ordered to notify the Receiver of the exemption, immediately. The Receiver shall assume that property is not exempt, until the person claiming

the exemption states the exemption claimed, the legal and factual grounds for the exemption, and describes the property with enough specificity that a constable can levy, based on the description.

(37) Duties to disclose and supplement. Klaus Genssler, individually, and d/b/a U.S. Oil Recovery, L.P., MCC Recycling, L.L.P., Genssler Environmental Holdings, L.L.C. and U.S. Oil Recovery, LLP a/k/a U.S. Oil Recovery, L.L.P. are ordered to fully disclose to the Receiver all of defendant's assets and to neither directly nor indirectly interfere or impede the Receiver in the performance of his duties under this Order. Exempt and non-exempt assets must be disclosed, so that the exempt status of the property can be determined. Every defendant is ordered to supplement all disclosures, in writing, within five days of knowledge of information required disclosed by this Order.

(38) The attached list is illustrative, and the Receiver's powers are to be liberally construed, including:

(i) Production and turnover. Ordering, from all defendants and third parties, the turnover of assets, evidence and documents upon all matters he feels pertain to compliance with this Order, including every defendant's assets, unopened mail, the location of assets, values of assets and all other financial matters pertaining to any defendant, including the amount of money that any defendant may need on a periodic basis to continue the defendant's business or to provide for the necessities of life;

(ii) Examinations and testimony. Scheduling hearings and meetings and directing parties and witnesses to give testimony at such hearings and meetings and to rule upon the admissibility of evidence at such hearings;



(iii) Administering oaths. Placing witnesses under oath and examining them himself, or through his agents;

(iv) Compliance. Seeking compliance with this order by every defendant by filing a motion for contempt and serving the person accused of contempt with notice to appear before this Court and show cause why that person should not be sanctioned for contempt;

(39) Disputes. If there be any dispute whether an asset is non-exempt property of a defendant, the Receiver is authorized to take custody of the asset until the Court can determine the rights of those claiming interests in the asset;

(40) Access to assets. The Receiver is authorized to take all action necessary to gain access to real property, leased premises, storage facilities, mail, and safety deposit boxes, in which real or personal property of any defendant may be situated, whether owned by a defendant or not.

(41) This Court, based on the overwhelming evidence presented in this case, appoints Sharon Smith as Master in this case under Rule 171, Texas Rules of Civil Procedure. The

Court notes these special circumstances, among others:

- a. This case revolves around toxic waste, including toxic spills that are prompted or exacerbated by bad weather. A Master can immediately photograph and make the Court aware of the situation, whereas holding even an emergency hearing requires hours to draft and file pleadings, then notify all parties;
- b. The Master can independently chronicle spills and illegal entry, whereas a sitting Court cannot drop what it is doing to drive to the site and inspect;
- c. The Master can travel, including to Alabama and other locations, to interview and examine those who are, or might be, doing business with defendants; and

- d. The Master can conduct "on the spot" examinations/interviews of transient witnesses, like truck drivers who are removing defendants' property or waste. A driver who lives out of state, or more than 150 miles away would be out of the Court's jurisdiction before a party could draft and serve a subpoena to appear for deposition – days later – taking the property, truck, or waste with him. Many of these witnesses would have knowledge of only small parts of the puzzle, and a quick Master's interview would suffice to obtain all that the witness knows. This testimony would be lost without the intercession of a Master.

(42) The Master's duties are limited to determining the ownership of assets, the interrelationships of the various entities, and the causes of any toxic situations at 200 or 400 North Richey Road, Pasadena, Texas.

Taxation of costs awaits the entry of the final order in this case.

SIGNED ON July 19, 2010. (K)

  
THE HONORABLE KYLE CARTER

Approved:

  
Laura Fiorentino Cahill  
Deputy Division Chief, Environmental Division  
Harris County Attorney Vince Ryan's Office